

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

In re Application of DAVID A. GODFREY,
YUKOS FINANCE B.V. and YUKOS
INTERNATIONAL UK B.V. for an order to
conduct discovery for use in a foreign
proceeding.

Petitioners.

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**DECLARATION OF RICHARD DEITZ IN OPPOSITION TO PETITIONERS' MOTION
TO COMPEL COMPLIANCE WITH SUBPOENAS *DUCES TECUM* AND IN SUPPORT
OF RESPONDENTS' MOTION TO QUASH SUBPOENAS *AD TESTIFICANDUM***

I, Richard Deitz, declare and state as follows:

1. I am the President of VR Capital Group Ltd. ("VR Capital"), an investment management firm incorporated in the Cayman Islands and headquartered outside of the United States. I submit this declaration in Opposition to Petitioners' Motion to Compel Compliance with Subpoenas *Duces Tecum* and in Support of Respondents' Motion to Quash Subpoenas *Ad Testificandum*. To my knowledge, Petitioners have not served me with either a subpoena *duces tecum* or a subpoena *ad testificandum*.

My Residence and Occasional Visits to New York City

2. I am a resident of London and have permanently resided here since October 2013. I have not resided in the United States since 1994.

3. While I am based in London, the nature of my work takes me all over the world. Consequently, I am occasionally in New York, as well as in Buenos Aires, Dubai, and a number of other cities for business. By no means do I "regularly" transact business in New York, contrary to Petitioners' repeated allegation.

4. Since 2010, I have visited New York City approximately 15 times for business. In general, my visits have lasted one working week or less.

5. I am not a resident of New York, and I do not file New York State income tax returns.

6. In addition to visiting New York for business, I occasionally travel to New York for family or personal reasons.

VR Capital's Location

7. VR Capital is incorporated in and has its registered address in the Cayman Islands. Other than Jeffrey Johnson, none of its directors are based in the United States, and it has no employees or other presence in the United States.

8. VR Capital indirectly owns VR Advisory Services Ltd ("VRASL") another Cayman entity. VRASL acts as an investment advisor and has a sub-advisor, VR Advisory Services (USA) LLC ("VRASL USA"), which is based in the U.S. All VRASL USA employees are U.S.-based employees. Pursuant to applicable regulations, VRASL is registered with the U.S. Securities and Exchange Commission as a Non-Resident Investment Advisor.

9. VR Capital does not have an office in New York City. VRASL USA does have an office at 300 Park Avenue in New York City. All of the individuals who work in that office are employees of VRASL USA. VRASL USA is a party to the lease for the office space leased at 300 Park Avenue.

10. VR Capital's website identifies certain of its affiliates along with those affiliates' locations. That website is hosted on servers in the United Kingdom.

The Factual Errors in Petitioners' Memoranda

11. Petitioners' Memorandum in Support of Petition for an Order Pursuant to 28 U.S.C. § 1782 to Conduct Discovery and their Memorandum of Law in Support of Their Motion to Compel Compliance with Subpoenas (together, "Petitioners' Memoranda") contain a number of factual errors.

12. First, Petitioners' narrative regarding my alleged role and the alleged role of VR Capital in the purchase and sale of certain of Yukos Oil's assets following its bankruptcy in or around 2007 is deeply flawed and misleading and is part and parcel of a relentless, eight-year misinformation campaign supported by a junta of highly-paid attack dogs and PR consultants who internally described their purpose as "making speculation appear as reality". It is simply untrue that VR Capital participated in an unlawful scheme as part of a sham auction. The more prosaic truth is that VR Capital was merely an investor in a consortium that purchased an asset at a lawful, court-sanctioned bankruptcy auction in Russia. I do not specifically address the myriad inaccuracies, misstatements and false accusations here, as a point-by-point refutation is not necessary for the purposes of Respondents' opposition to Petitioners' motion to compel and Respondents' motion to quash.

13. Second, Petitioners' Memoranda contain a number of factual errors regarding VR Capital and its connections to New York. Specifically, Petitioners' Memoranda incorrectly allege that: (a) VR Capital's website boasts that the company operates in New York; (b) VR Capital maintains an office at 300 Park Avenue in Manhattan; and (c) VR Capital's "high level executives" work at 300 Park Avenue in Manhattan.

14. In fact, and in conflict with the allegations described in paragraph 13: (a) VR Capital's website explicitly delineates that it is VRASL USA which operates in New York; (b) it

is VRASL USA that maintains an office at 300 Park Avenue in Manhattan; and (c) there are no VR Capital employees working at 300 Park Avenue in Manhattan.

15. In addition to the above-described inaccurate allegations, Petitioners falsely state that certain “public filings” made with the United States Securities and Exchange Commission “disclose that VR Capital operates in New York through its affiliate VR Advisory Services (USA) LLC at 300 Park Avenue.” In fact, the public filings cited by Petitioners’ Memoranda were made by VRASL and certain of its related advisors, including VRASL USA. VR Capital was not a filer or a related advisor. Those filings only mention VR Capital one time in order to note that VR Capital owns another entity that is entirely irrelevant to this matter. Petitioners’ suggestion that these forms “disclose” that VR Capital operates in New York through VRASL USA is simply incorrect.

The Documents Sought by Petitioners’ Subpoenas

16. The subpoenas *duces tecum* directed to me and to VR Capital request sixteen categories of documents that encompass voluminous materials relating to events that took place in 2007.

17. Those documents are located outside of the United States, and are the product of negotiations and communications that entirely took place outside of the United States.

18. VR Capital’s computer systems are managed on servers located in Dubai. All of my business emails and electronic files are stored on servers or hard drives outside of the United States.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed in Moscow, Russia on this 8th day of December 2015.

A handwritten signature in black ink, appearing to be 'RD' followed by a long, sweeping horizontal stroke.

RICHARD DEITZ